

AMENDED IN SENATE JANUARY 4, 2012

AMENDED IN SENATE APRIL 28, 2011

SENATE BILL

No. 912

Introduced by Senator Lieu

February 18, 2011

~~An act to add Section 1099 to the Unemployment Insurance Code, relating to employment. An act to repeal and add Section 9600.5 of the Unemployment Insurance Code, relating to employment.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 912, as amended, Lieu. ~~Employment Development Department: wage reports: electronic access. Employment Development Department: training expenditure reports.~~

Existing law requires the director of the Employment Development Department to provide an annual report, no later than November 30, to the Governor, the Legislature, and the California Workforce Investment Board, regarding the training expenditures made by local workforce investment boards in the prior fiscal year. Existing law also requires that the department identify what expenditures qualify as training expenditures, as specified.

This bill would remove this reporting requirement and instead require the Employment Development Department to provide a report, within 6 months after the end of the 2nd program year of the 2-year period of availability for expenditure of federal Workforce Investment Act of 1998 funds, to the Governor, the Legislature, and the California Workforce Investment Board, regarding the training expenditures made by local workforce investment boards in the prior 2 program years. This bill would also require the report to identify the amount of any leveraged

funds expended by the local workforce investment boards for training services.

~~Existing law requires that information obtained by the Employment Development Department in the administration of unemployment insurance laws be kept confidential and for the exclusive use of the director in the discharge of his or her duties, and this information is not open to the public, except as specifically provided.~~

~~This bill would authorize the department to contract with a credit reporting agency to provide a creditor, employer, or permissible purpose entity, as defined, with secured electronic access to employer-provided quarterly wage reports if certain requirements are met. This bill would require that the department and any credit reporting agency, creditor, employer, or permissible purpose entity use this information only for specified purposes, and would require the safeguarding of any information received. This bill would also require termination of the contract, as provided, for any violation of these requirements, and would authorize the contract to provide for reimbursement to the department for any reasonable administrative costs incurred.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *Section 9600.5 of the Unemployment Insurance*
2 *Code is repealed.*
3 ~~9600.5.—The director of the Employment Development~~
4 ~~Department shall report annually to the Governor, the Legislature,~~
5 ~~and the California Workforce Investment Board, no later than~~
6 ~~November 30, regarding the training expenditures made by local~~
7 ~~workforce investment boards in the prior fiscal year. The~~
8 ~~department shall specify what expenditures qualify as training~~
9 ~~expenditures, including, but not limited to, the price paid for~~
10 ~~classroom instruction or other training opportunities, contracted~~
11 ~~services for customized training and on-the-job training,~~
12 ~~development of training materials, and supportive services,~~
13 ~~including case management, that enable a participant to attend and~~
14 ~~complete training. The annual report shall specify the total amount~~
15 ~~of federal funding provided to the state and to each of the local~~
16 ~~workforce investment areas for the adult and dislocated persons~~

~~programs and the amount within each program expended for training services.~~

SEC. 2. Section 9600.5 is added to the Unemployment Insurance Code, to read:

9600.5. Beginning with the 2012 program year, the Employment Development Department shall report to the Governor, the Legislature, and the California Workforce Investment Board, within six months after the end of the second program year of the two-year period of availability for expenditure of federal Workforce Investment Act of 1998 funds, the training expenditures made by local workforce investment boards in the prior two program years. The report shall specify the total amount of federal funding provided to the state and to each of the local workforce investment areas for the adult and dislocated persons programs and the amount within each program expended for training services, as defined in Section 14211. The report shall also specify the amount of any leveraged funds, as defined in Section 14211, expended by the local workforce investment boards for training services.

~~SECTION 1. Section 1099 is added to the Unemployment Insurance Code, to read:~~

~~1099. (a) Notwithstanding any other law, the department may contract with one or more consumer reporting agencies to provide a creditor, employer, or permissible purpose entity with secured electronic access to employer-provided information relating to the quarterly wages report submitted in accordance with this part. This access shall be limited to wage reports and shall include at least the preceding 16 calendar quarters, or more if available.~~

~~(b) For purposes of this section, the following definitions apply:~~

~~(1) "Consumer reporting agency" has the same meaning as that set forth in the federal Fair Credit Reporting Act (15 U.S.C. 1681a(f)).~~

~~(2) "Creditor" has the same meaning as that set forth in the federal Fair Debt Collection Practices Act (15 U.S.C. 1691a(e)).~~

~~(3) "Permissible purpose entity" means an entity with specified purposes as authorized by the department.~~

~~(4) "Wage reports" means the amount of wages reported by employers as earned by the individual during the base period, as defined in Section 1275, or any additional periods as agreed to by~~

1 the director, and the name or names and address or addresses of
2 record of the employers who paid those wages.

3 (e) A creditor, employer, or permissible purpose entity shall
4 obtain written consent or an electronic signature equivalent from
5 the credit, employment, or other permitted purposes applicant prior
6 to electronically accessing any quarterly wage report of the
7 applicant. Any written or electronic signature equivalent consent
8 from the credit, employment, or other permitted purpose applicant
9 shall be signed and shall include each of the following:

10 (1) Specific notice that information concerning the individual's
11 wage and employment history shall be released to a consumer
12 reporting agency.

13 (2) Notice that the release is made for the sole purpose of
14 reviewing a specific application for credit, employment, or other
15 permitted purpose made by the individual.

16 (3) Notice that the files of the department containing information
17 concerning wage and employment history that is submitted by the
18 individual or his or her employers may be accessed.

19 (4) A listing of the parties authorized to receive the released
20 information.

21 (d) A consumer reporting agency, creditor, employer, or other
22 permissible purpose entity accessing information under this section
23 shall safeguard the confidentiality of any information received. A
24 consumer reporting agency, creditor, employer, or permitted
25 purpose entity shall use the information only to support a single
26 transaction for the user to satisfy its standard underwriting or
27 eligibility requirements or for those requirements imposed upon
28 the user, and to satisfy the user's obligations under applicable state
29 or federal laws, rules, or regulations.

30 (e) If a consumer reporting agency, creditor, employer, or
31 permitted purpose entity violates this section, the department shall,
32 upon 30 days written notice to the consumer reporting agency,
33 creditor, employer, or permitted purpose entity terminate the
34 contract established between the department and the consumer
35 reporting agency, or require the consumer reporting agency to
36 terminate the contract established between the consumer reporting
37 agency and the creditor, employer, or permitted purpose entity.

38 (f) The department shall establish minimum audit, security,
39 net worth, and liability insurance standards, technical requirements,
40 and any other terms and conditions considered necessary in the

1 ~~department's discretion to safeguard the confidentiality of the~~
2 ~~information released and to otherwise serve the public interest.~~
3 ~~The department shall also include, in coordination with any~~
4 ~~necessary state agencies, necessary audit procedures to ensure that~~
5 ~~these rules are followed.~~

6 ~~(g) A contract with one or more consumer reporting agencies~~
7 ~~under this section may provide for reimbursement to the department~~
8 ~~for any reasonable administrative costs incurred.~~

9 ~~(h) The department shall not provide wage and employment~~
10 ~~history information to any consumer reporting agency until after~~
11 ~~the consumer reporting agency or agencies under contract with~~
12 ~~the department pay all development and other startup costs incurred~~
13 ~~by the state in connection with the design, installation, and~~
14 ~~administration of technological systems and procedures for the~~
15 ~~electronic-access program.~~

16 ~~(i) The release of any information under this section shall be~~
17 ~~for a purpose authorized, and in the manner permitted, by the~~
18 ~~United States Department of Labor and any subsequent rules or~~
19 ~~regulations adopted by that department.~~